Agreement between SIDO and Still

969. DR. NAUNIHAL SINGH : Will the PRIME MINISTER be pleased to state : .

(a) whethei it is a fact that a memorandum of understanding was likely to be signed between the Small Industries Development Oragamosation (SlD'O) and the State Bank of India for a joint programme to develop the small scale sector if so. the details iheieof '

(b) what is the thrust of the programme;

(c) wh'eiher it is also a fact that the small and tiny units got only 8.7 per cent of their turnover as working capital loans which Was "considered extremely low' ;

(d) if. so, the reasons therefor ; and

(e) what concrete steps have been taken by Government to improve this situation of small arid tiny units'?

THE MINISTER-'OF STATE IN THE MINISTRY OF INDUSTRY (DEPARTMENT OF SMALT SPATE INDUSTRIES AND AGRO AMD RURAL INDUSTRIES) (SHRI M. ARUNACHALAM) : fa) Only prelimihary discussions have been held with Stats Bank of India to explore the possibilities of joint[1] efforts to Support' specific -programmes for the benefit of small scale sector.

(b) The thrust of the discussions has been to consider Enterpreneurship Development, Modernisation and Sick Unit revival programmes for their effective implementation.

(c) to (e) The Committee to examine the adequancy of institutional credit to the Small Scale Industry Sector and related aspects (Nayak Committee) has observed that Small Scale Sector as a whole received a level of working capital of only 8.1 per cent of its output. The village industries and the smaller tiny industries among them could get working capital finance to the extent of only about 2.7 per cent of their output. Banks have, therefore been advised to give preference to village industries tiny industries and other small scale units in that order, while meeting the credit requirements of the small scale sector.

Banks have also been instructed that henceforth for the credit requirements of village industries, -tiny industries and other SSI units having aggregate fund-based working capital limits upto Rs. 1 crore from the banking system are to be provided working capital limits computed on the basis of a minimum of 20% of their projected annual turhovw of wew as well as existing units. In accordance with Nayak Committee's recorrlfnenddtidn specialised branches to meet credit requirement of small scale Industries are being opened in 85 district Where there are large conSeti-trations of small State industries.

Scheme announced by the Prime Minister for unemployed youths

970. SHRI VITHALBHA1 M. PATEL : Will the PRIME MINISTER be pleased to state :

(a) whether the scheme announced by the Prime Minister to pay loan upto Rs. 1 lakh to the unemployed youths to start business has since beeen intplemented ;

(b) what are the guidelines for the im plementation of the above Scheme ;

(c) the nnmber of apphication received by the Ministry from the unemployed youths, State and the Union Territories-wise. and

(d) what are the reasons for the delay, if any in implementation of the above Scheme ?

THE MINISTER OF STATE IN THE MINISTRY OF INDUSTRY (DEPARTMENT OF SMALL SCALE INDUSTRIES AND AGRO AND RURAL INDUStRIES SHRI M. ARUNACHALAM): 9a) Yes, Sir.

(b) The guidelines for the implementation of the Prime Minister's Rozgar Yojana are at Statement-I *(See* below);

(c) As per the information received from some of the States/Union Territories 85,682 applications have been received by the implementing agencies by November,

1993. Details are appended as per (Statement 2, *(See* below);

(d) Prime Minister's Rozgar Yojana has commenced since 2nd Oct., 93. Comprehensive guidelines on implementation of the Scheme has been sent to ail States/Union Territories before 2nd Oct., 93. Process of implementation has commenced in all the State/ Union Territories.

Statement I

Prime Minister's Rozgar Yojna (PMRY) is being implemented with effect from 2nd Oct. 93 with a view to provide self-employment opportunities to educated unemployed youth in the country.

The PMRY has been designed to provide employment to more than a million persons by selling up of 7 lakh micro enterprises during VHlth Five Year Plan through industry, service and business routes. The scheme also seeks to associate reputed nongovernmental organisations in implementation of PMRY Scheme especially in the selection, training of entrepreneurs and preparation of project profiles. The scheme intends to cover urban areas only during 1993-94 and whole of the country from 1994-95 onwards when the existing Self-Employment Scheme for the Educated Unemployed Youth (SEEUY) will also be subsumed in PMRY.

Any unemployed educated person living in any part of the country, rural or urban, within 18—35 years of age, matric (passed or failed) or ITI passed or having undergone Govt, sponsored technical courses for a minimum duration of 6 months, permanent resident of the area for atleast 3 years, family income not exceeding Rs. 24,000 per annum, and not being a defaulter to any nationalised bank/ financial institution/ cooperative bank, will be eligible for assis tance under the scheme. The scheme envisages 22.5% reservation for SC/ST and 27% for other backward classes. Out of the target allocated, not more than 30% enterprises should be from business sector.

The project upto Rs. 1 lakh are covered under the scheme in case of individuals. If two or more eligible persons join together in a partnership, the project with higher costs would also be covered provided share of each person in the project cost is Rs. 1 lakh or less. Entrepreneur is required to contribute 5% of the project cost as margin money in cash. The loan would not require any colateral guarantee. Apart from personal guarantee, assets created under the scheme would be hypothecated/mortgaged/ pledged to the banks. Govt, of India would provide subsidy @15% of the project cost subject to a ceiling of Rs. 7500/- per entrepreneur. The scheme envisages training for entrepreneur after the loan is sanction.

Statement-II

S. No.	State/UT	Application Received (Nos.)
1	Andhra Pradesh	29,604
2	Assam	3,425
3	Delhi	4,500
4	Goa	26
5	Gujarat	20
6	Haryana	732
7	Himachal Pradesh	36
8	Karnataka	14,682
9	Kerala	4,653
10	Maharashtra	31
11	Manipur	830
12	Punjab	460
13	Rajasthan	23,829
14	Tamilnadu	2,207
15	A & N Island	67
16	Chandigarh	68
17	Dadra & Nagar Haveli	2
18	Pondicherry	510
	TOTAL :	85,682